# Public Utilities Commission of the State of California

Results of Public Agenda 3112

Meeting Held on Thursday, May 8, 2003 10:00 a.m.

San Francisco, California

**Commissioners** 

Michael R. Peevey, President Geoffrey F. Brown Susan P. Kennedy Loretta M. Lynch Carl W. Wood

Website: http://www.cpuc.ca.gov

# Scheduled Commission Meetings 505 Van Ness Avenue, San Francisco

Ratesetting Deliberative Meeting* Room 5305 (1:30 p.m.) Closed to the Public	Commission Meeting Auditorium (10 a.m.) Open to the Public
Monday, May 19, 2003 (San Francisco)	Thursday, May 22, 2003 (San Francisco )
Monday, June 02, 2003 (San Francisco)	Thursday, June 05, 2003 (San Francisco)
Monday, June 16, 2003 (San Francisco)	Thursday, June 19, 2003 (San Francisco)
Monday, July 07, 2003 (San Francisco)	Thursday, July 10, 2003 (San Francisco)
Monday, August 18, 2003 (San	Thursday, August 21, 2003 (San
Francisco)	Francisco)

\*Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.

For further information contact the Public Advisor (415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



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#### **PUBLIC COMMENT**

The following items are not subject to public comment:

· All items on the closed session agenda; these are HEX and EX items.

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#### **Public Comment:**

Re C-1: George Gundrey, CompuMentor, San Francisco, CA

#### **Consent Agenda**

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

#### **Orders and Resolutions**

#### CA-1 Res TL-19026

Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.

# **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

#### CA-2 Res ALJ 176-3112

Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of

Practice and Procedure.

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-3 R02-08-002 - Order Instituting Rulemaking on the Commission's own motion to examine 1877 whether the regulations regarding prearrangement of charter-party transportation contained in General Order 157-C should be revised.

This Rulemaking is discontinued because the Commission has determined that changes to G.O. 157-C are not needed at this time. This proceeding is closed.

(Comr Kennedy - ALJ Rosenthal)

(Agenda 3110, Item CA-11 4/3/2003 (Staff))

#### Outcome Held (5/22/03, Consent Agenda. Further review.)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

### CA-4 A02-07-021 - Southern California Water Company (SCWC).

1966 This decision approves a s

This decision approves a settlement agreement between SCWD and the City of Santa Monica (City) that conveys water rights to the City. This proceeding is closed.

(Comr Kennedy - ALJ Evans)

### Outcome Signed

D03-05-001

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

### CA-5 A99-12-025 - Valencia Water Company (Valencia).

1986

For approval of its Updated Water Management Programs as ordered in Commission Resolution W-4254 dated August 5, 1999. The Commission concludes that no good cause has been shown to modify D01-11-048, which approved Valencia's 1999 Water Management Program and authorized certain extensions to its service area. Sierra Club's petition to modify D01-11-048 is denied. This proceeding is closed.

(Comr Brown - ALJ Patrick)

# Outcome Held (5/22/03, Consent Agenda. For analysis of the impact of a recent court decision.)

### CA-6 A00-08-018 - San Diego Gas and Electric Company.

2020

For approval of update to top 100 hours allocation methodology for ongoing transition costs. This decision closes the proceeding with the concurrence of active parties to a petition to modify D00-06-034.

(Comr Kennedy - ALJ Malcolm)

**Outcome Signed** 

D03-05-002

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

### CA-7 A99-07-002 - Southern California Gas Company.

2029

For authority to continue Low Income Assistance Programs and Funding through 2000. A99-07-004, A99-07-011, A99-07-012 - Related matters. This decision closes the proceedings in recognition that all outstanding issues were addressed by D00-07-020.

(Comr Wood - ALJ Gottstein)

### Outcome Signed

D03-05-003

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-8 A03-01-006 - Teleglobe USA Inc. (Old Teleglobe), Teleglobe USA LLC (New Teleglobe), and TLGB Corporation (TLGB).

This decision approves the joint application of Old Teleglobe, New Teleglobe, and TLGB, for transfer of the assets and certificate of public convenience and necessity of Old Teleglobe to New Teleglobe, and the subsequent transfer of New Teleglobe to TLGB. This proceeding is closed.

(Comr Lynch - ALJ O'Donnell)

#### **Outcome Signed**

D03-05-004

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

#### CA-9 A02-05-004 - Southern California Edison Company (SCE).

2056

I02-06-002 - Related matters. This decision authorizes SCE to establish a memorandum account to track the base rate revenue requirement that it has requested in this application during the period between May 22, 2003 and the date a final decision on that request is adopted in this proceeding. SCE is also authorized to establish related rate recovery provisions.

(Comr Wood - ALJ Wetzell)

#### Outcome Held (5/22/03, Regular Agenda. Further consideration.)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

### CA-10 A02-12-023 - In Touch Communications, Inc. (Applicant).

2061

This decision grants Applicant a certificate of public convenience and necessity to provide limited facilities-based local exchange telecommunications service. This proceeding is closed.

(Comr Lynch - ALJ O'Donnell)

#### **Outcome Signed**

D03-05-005

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-11 C02-05-035 - Breuer, Inc. vs. Del Oro Water Company, Inc.

2066

This decision extends the 12-month statutory deadline pursuant to Public Utilities Code Section 1701.2(d), effective immediately, until further notice.

(Comr Kennedy - ALJ Maloney)

#### **Outcome Signed**

D03-05-006

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-12 A02-10-016 - United States Telesis, Inc. dba US Telesis (Applicant).

2067

This decision grants Applicant a certificate of public convenience and necessity under Pub. Util. Code § 1001 for authority to provide resold local exchange telecommunications services. This proceeding is closed.

(Comr Peevey - ALJ Bemesderfer)

### **Outcome Signed**

D03-05-007

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-13 C02-12-022 - George E. Penington (Penington) vs. San Diego Gas and Electric Company 2069 (SDG&E).

This decision denies the complaint, finding that Penington is not entitled to a refund of \$6,354.00 paid SDG&E to extend natural gas service to two residential buildings because SDG&E has charged Penington correctly for the service extension under its tariff. This proceeding is closed.

(Comr Wood - ALJ Vieth)

#### **Outcome Signed**

D03-05-008

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

### CA-14 A02-05-022 - Pacific Gas and Electric Company (PG&E).

2071

For authority to establish its authorized rates of return on common equity for electric utility operations and gas distribution for test year 2003. A02-05-025, A02-05-026, A02-05-031 - Related matters.

This decision exempts PG&E from filing a 2004 test year cost of capital application. This proceeding remains open.

(Comr Brown, Comr Peevey - ALJ Galvin)

#### Outcome Held (5/22/03, Consent Agenda. Possible changes.)

### CA-15 Res E-3775 - Pacific Gas and Electric Company (PG&E).

2073

This resolution approves the request by PG&E for meter data set up and access charges for customers who arrange for an interval meter installation on a voluntary basis. (Advice Letter (AL) 2197-E, filed February 15, 2002, and AL 2197-E-A, filed July 2, 2002)

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-16 A02-11-026 - Greenfield Communications, Inc. (Applicant).

2076

This decision grants Applicant a certificate of public convenience and necessity under Pub. Util. Code § 1001 for authority to provide resold local exchange and interexchange telecommunications services. This proceeding is closed.

(Comr Peevey - ALJ Bemesderfer)

#### **Outcome Signed**

D03-05-009

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-17 A02-11-018 - City of Santa Rosa (City).

2077

This decision grants the request of the City to construct the Pierson Reach Bike Path at separated grade below the tracks and trestle of the Northwestern Pacific Railroad Authority in the City of Santa Rosa, in Sonoma County. This proceeding is closed.

(Exam Clark)

#### **Outcome Signed**

D03-05-010

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

### CA-18 A02-07-006 - County of Santa Clara Roads and Airport Department (County).

2078

This decision grants the request of the County for authority to widen the Lafayette Overhead, in the City of Santa Clara, County of Santa Clara. This proceeding is closed.

(Exam Clark)

### Outcome Signed

D03-05-011

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

### CA-19 A02-03-027 - Alameda Corridor Transportation Authority (ACTA).

2079

This decision authorizes ACTA to construct a new grade separation of Pacific Coast Highway over the ACTA main tracks and the former Southern Pacific Transportation Company San Pedro Branch. This decision constitutes permission for ACTA to construct this grade separation in accordance with the latest revision of the plans filed with the Commission as part of ACTA's supplemented and amended application, and is subject to the conditions set forth in the Order. This proceeding is closed. (Comr Peevey - ALJ Ryerson)

### Outcome Signed

D03-05-012

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

#### CA-20 A00-10-045 - San Diego Gas and Electric Company.

2082

For an order implementing Assembly Bill 265. A01-01-044 - Related matters. This decision finds that Aglet Consumer Alliance, The Utility Reform Network, and The Utility Consumer Action Network contributed substantially to D02-12-064, and awards them compensation of \$15,859.92, \$5,889.02, and \$36,063.30, respectively for their participation.

(Comr Wood - ALJ Wetzell)

#### **Outcome Signed**

D03-05-013

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-21 A01-07-004 - Pacific Gas and Electric Company.

2083

For a permit to construct the Atlantic-Del Mar Reinforcement Project pursuant to General Order 131-D. This decision modifies D03-02-007 and approves the Addendum to the Final Mitigated Negative Declaration. This proceeding is closed.

(Comr Kennedy - ALJ Cooke)

**Outcome Signed** 

D03-05-014

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

### CA-22 A02-02-010 - Cogent Communications of California, Inc. (Applicant).

2084

Applicant filed this application for a certificate of public convenience and necessity to provide facilities-based and resold local exchange and interexchange telecommunications services. By D02-09-012, Applicant was granted authority to provide limited facilities-based and resold local exchange and interexchange services. The application was left open to address its proposed construction pursuant to the California Environmental Quality Act. Applicant has since decided not to construct facilities at this time, except to the extent previously authorized. At the request of Applicant, the Commission closes this application. This proceeding is closed.

(Comr Lynch - ALJ O'Donnell)

#### **Outcome Signed**

D03-05-015

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

#### CA-23 A03-02-037 - Southern California Edison Company (SCE).

2089

The Commission grants SCE authority to lease available land under Pub. Util. Code § 851. The SCE property consists of a 2.28-acre site located on a portion of SCE's El Nido-Sepulveda-Culver transmission right of way in the City of Hawthorne. This proceeding is closed.

(Comr Kennedy - ALJ Bemesderfer)

**Outcome Signed** 

D03-05-016

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

### CA-24 A03-01-026 - Blue Casa Communications, LLC (Applicant).

2091

This decision grants Applicant a certificate of public convenience and necessity to provide limited facilities-based and resold local exchange and interexchange telecommunications services. This proceeding is closed.

(Comr Brown - ALJ O'Donnell)

Outcome Signed

D03-05-017

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

### CA-25 A02-11-001 - Gregory J. Phelps dba Mountain Express.

2093

The decision grants Gregory J. Phelps authority to establish a zone of rate freedom. This proceeding is closed.

(Exam Clark)

### Outcome Signed

D03-05-018

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

#### **CA-26 A02-12-024 - Bart Mulvihill.**

2094

A02-12-041 - Related matters. This decision authorizes Bart Mulvihill to extend his scheduled passenger stage corporation to include service between Calabasas, Malibu, Agoura Hills and Thousand Oaks, on the one hand , and Los Angeles International Airport, on the other hand. This proceeding is closed.

(Exam Clark)

#### **Outcome Signed**

D03-05-019

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

#### CA-27 A03-01-024 - Hosein Nematbakhsh dba ABC Shuttle (Applicant).

2095

This decision authorizes Applicant to operate as a passenger stage corporation between points in Orange County and John Wayne Airport. This proceeding is closed.

(Exam Clark)

### **Outcome Signed**

D03-05-020

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

### CA-28 A03-01-028 - Kultar Singh dba ANA Transportation (Applicant).

2096

This decision authorizes Applicant to operate a passenger stage corporation between the Counties of San Francisco, Alameda, Contra Costa, Santa Clara, Solano, Marin, and San Mateo and the International Airports of San Francisco, Oakland, and San Jose. This proceeding is closed. (Exam Clark)

#### **Outcome Signed**

D03-05-021

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

### CA-29 A03-03-036 - Catalina Classic Cruises, Inc. (Applicant).

2103

This decision authorizes Applicant to extend its non-scheduled vessel common carrier service between points at and within three miles offshore of Avalon, Santa Catalina Island. This proceeding is closed. (ALJ Rosenthal)

Outcome Held (5/22/03, Consent Agenda.)

### CA-30 C02-11-011 - Telscape Communications, Inc. vs. Pacific Bell Telephone Company.

2122

Pub. Util. Code § 1701.2(d) provides that adjudicatory cases shall be resolved within 12 months of initiation unless the Commission makes findings why that deadline cannot be met and issues an order extending that deadline. In this proceeding, the 12-month deadline for resolving this matter is November 5, 2003. This decision extends the deadline at the request of all parties, in order to allow adequate time for discovery and preparation for the evidentiary hearings in this matter, commensurate with the complexity and importance of the issues in the case.

(Comr Brown - ALJ Simon)

# **Outcome Signed**

D03-05-022

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-31 A02-07-036 - Advanced TelCom, Inc. dba Advanced TelCom Group (ATG), aka Delaware Advanced TelCom, Inc. and GE Business Productivity Solutions, Inc. (GEBPS).

This decision grants petition for modification of D02-10-049, regarding the transfer of control from ATG to GEBPS. This proceeding is closed.

(Comr Peevey - ALJ Evans)

#### Outcome Signed

D03-05-023

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

### CA-32 A00-10-043 - Hillview Water Company, Inc. (Hillview).

2134

This decision grants Hillview the authority to secure an additional planning loan in the amount not to exceed \$76,327.77 under the Safe Drinking Water State Revolving Fund. This proceeding is closed. (Exam Jackson)

#### **Outcome Signed**

D03-05-024

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

#### CA-33 Res ST-60 - San Francisco Municipal Railway (MUNI).

2136

This resolution grants MUNI authority to deviate from certain overhead clearance requirements of General Order 26-D where its proposed Third Street Line tracks would cross tracks of conventional railroads.

#### Outcome Approved

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-34 A02-11-005 - Los Angeles to Pasadena Metro Blue Line Construction Authority (PBLCA).

2137

This decision grants PBLCA authority to construct a private at-grade highway-rail crossing of the Los Angeles to Pasadena Metro Gold Line (formerly Pasadena Metro Blue Line) at the power plant owned by City of Pasadena Water & Power Department. This proceeding is closed.

(Exam Clark)

# **Outcome Signed**

D03-05-025

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-35 A02-11-016 - Santa Clara Valley Transportation Authority (VTA).

2138

This decision grants VTA authority to relocate its existing heavy rail tracks operated on by Union Pacific Railroad, at Hamilton Avenue in Campbell, Santa Clara County. This project is in conjunction with VTA's Vasona light rail line extension. This proceeding is closed.

(Exam Clark)

# **Outcome Signed**

D03-05-026

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-36 Res W-4391 - Alisal Water Corporation (ALCO), Normco Division (Normco) and Moss

(Rev.) Landing Division (MLD).

2139 This resolution authorizes a

This resolution authorizes a surcharge to recover an increase in water testing costs producing an increase in annual revenue for Normco of \$47,121 or 24.4% and for MLD of \$16,810 or 14.5%. (Advice Letter 90, filed December 11, 2002)

04/30/2003 - This revision was not shown on the Agenda mailed to the public.

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

### CA-37 Res W-4392 - California Water Service Company, Westlake District.

This resolution authorizes a surcharge to recover under-collection in the balancing account producing additional annual revenues of \$1,279,996 or 9.51% for this district. (Advice Letter 1537, filed February 4, 2003)

### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-38 Res W-4393 - California Water Service Company (Livermore, Los Altos-Suburban, Chico, Hermosa-Redondo, Bear Gulch, Selma, and Marysville Districts).

This resolution authorizes surcharges in each district of Livermore, Los Altos-Suburban, Chico, Hermosa-Redondo, Bear Gulch, Selma, and Marysville to recover under-collections in purchased water and purchased power balancing accounts producing additional annual revenues of \$4,212,967 or 4.2% for those combined districts. (Advice Letters 1525, 1526, 1527, 1528, 1529, 1533, and 1534, filed between December 18, 2002 and January 2, 2003)

#### Outcome Approved

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

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#### **CA-39** Res W-4394 - Cold Springs Water Company.

(Rev.)

This resolution authorizes a one-time surcharge to recover an increase in water testing costs and 2142 Department of Health Services fees producing an increase in annual revenue of \$5,121 or 3.2%.

(Advice Letter 44, filed February 24, 2003)

05/08/2003 - This revision was not shown on the Agenda mailed to the public.

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

#### **CA-40** Res W-4395 - Havasu Water Company.

2143 This resolution authorizes a rate base offset and a cost of living rate increase producing additional annual revenue of \$16,304 or 13.44% in 2003.

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

#### **CA-41** Res W-4396 - Lake Alpine Water Company.

2144 This resolution authorizes a one-time surcharge to recover an increase in water testing costs and Department of Health Services fees producing an increase in annual revenue of \$1,522 or 0.56%.

(Advice Letter 63, filed March 3, 2003)

#### Outcome Approved

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

#### **CA-42** Res W-4397 - Sereno Del Mar Water Company.

2145 This resolution authorizes a purchase power and cost of living rate increase producing additional annual revenue of \$9,493 or 16.9% in 2003. (Advice Letter 31, filed November 19, 2002)

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-43 R93-04-003 - Rulemaking on the Commission's own motion to govern open access to bottleneck services and establish a framework for network architecture development of dominant carrier frameworks.

I93-04-002, R95-04-043, I95-04-044 - Related matters. This decision grants The Utility Reform Network an award of \$84,104.84 in compensation for substantial contributions to D02-09-050 and D02-12-081. Those decisions paved the way for SBC Pacific Bell to begin long distance service in California.

(Comr Brown - ALJ Reed)

### **Outcome Signed**

D03-05-027

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

### CA-44 A03-03-008 - City and County of San Francisco (CCSF).

This decision grants the request of the CCSF for authority to construct 18 at-grade crossings along 3rd Street, in the City and County of San Francisco. This proceeding is closed.

(Exam Clark)

#### **Outcome Signed**

D03-05-028

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# CA-45 A99-03-014 - Pacific Gas and Electric Company.

2155 For revision of its electrical marginal costs, revenue allocation and rates at the end of the rate freeze. This decision grants The Utility Reform Network \$83,780.68 for its contributions to D03-01-012.

This proceeding is closed.

(Comr Lynch - ALJ Mattson)

#### **Outcome Signed**

D03-05-029

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# CA-46 A02-05-013 - Valencia Water Company (Valencia).

(Rev.) 2072

For an order authorizing it to increase general rates charged for water service in order to realize increased annual revenues of \$2,496,685 in Test Year 2003, \$143,286 in Test Year 2004, and \$43,439 in Attrition Year 2005, to apply a surcharge calculated to generate a further \$614,737 in Year 2003 revenues, to establish a low income ratepayer assistance program, and to make further changes and additions to its tariff for water service. This decision approves settlement agreement between Valencia and the Office of Ratepayer Advocates after addressing all issues raised by Sierra Club. This proceeding is closed.

(Comr Brown - ALJ Bushey)

05/07/2003 - This item appeared as (8) on the agenda distributed to the public.

# Outcome Signed

D03-05-030

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

### Regular Agenda

# **Utility and Transportation Orders Orders Held Over**

#### H-1 A02-03-059 - Pacific Bell Telephone Company (Pacific).

1500

This decision approves the arbitrated interconnection agreement filed by Pacific and Pac-West Telecomm, Inc., under Rule 4.2 of the Commission's revised rules governing filings made pursuant to the Telecommunications Act of 1996, pursuant to Subsection 252(e) of that Act. This proceeding is closed.

(Comr Wood - ALJ Ryerson)

(Agenda 3103, Item 11 12/17/2002 (Brown); Agenda 3105, Item H-8 1/16/2003 (Brown); Agenda 3107, Item H-8 2/13/2003 (Peevey); Agenda 3108, Item H-8 2/27/2003 (Kennedy); Agenda 3109, Item H-6 3/13/2003 (Kennedy); Agenda 3110, Item H-2 4/3/2003 (Peevey); Agenda 3111, Item H-1 4/17/2003 (Wood))

#### Outcome Withdrawn

Yes: (none) No: (none) Abstain: (none) Absent: (none)

#### H-1a ALTERNATE TO ITEM 1500

1798

This alternate decision approves with modification the arbitrated interconnection agreement between SBC-California and Pac-West Telecomm, Inc. Issue number 14 of the Final Arbitrator's Report is modified to comport with prior Commission decisions, such that transport charges are applicable to VNXX traffic terminating outside of the originating local calling area.

(Comr Brown)

(Agenda 3108, Item H-8a 2/27/2003 (Kennedy); Agenda 3109, Item H-6a 3/13/2003 (Kennedy); Agenda 3110, Item H-2a 4/3/2003 (Peevey); Agenda 3111, Item H-1a 4/17/2003 (Wood))

#### **Outcome Signed**

D03-05-031

Yes: (Brown, Kennedy, Wood)

No: (Lynch, Peevey)

Abstain: (none)
Absent: (none)

#### H-2 A00-05-032 - Pacific Gas and Electric Company (PG&E).

1836 PG&E seeks authorization pursuant to Pub. Util. Code 88 30

PG&E seeks authorization pursuant to Pub. Util. Code §§ 367(b) and 851, to market value by sale certain generation-related parcels of land in Rodeo, Martinez, and Antioch. The Commission concludes that the application is barred under § 377 and the application is dismissed without prejudice. This proceeding is closed.

(Comr Lynch - ALJ Patrick)

(Agenda 3110, Item CA-5 4/3/2003 (Staff))

#### Outcome Held (5/22/03. For alternate.)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

#### H-3 A00-05-033 - Pacific Gas and Electric Company (PG&E).

1838

PG&E seeks authorization pursuant to Pub. Util. Code §§ 367(b) and 851, to market value by sale a generation-related property at Bridgehead Road in Antioch. The Commission concludes that the application is barred under § 377 and the application is dismissed without prejudice. This proceeding is closed.

(Comr Lynch - ALJ Patrick)

(Agenda 3110, Item CA-6 4/3/2003 (Staff))

#### Outcome Held (5/22/03. For alternate.)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

### H-4 A01-03-036 - San Diego Gas and Electric Company (SDG&E).

1914

For a certificate of public convenience and necessity for a 500kV Inter-Connect Project known as Valley-Rainbow. This decision denies SDG&E's Petition to Modify D02-12-066.

(Comr Kennedy - ALJ Cooke)

(Agenda 3111, Item CA-5 4/17/2003 (Peevey))

#### Outcome Held (6/5/03. Possible alternate.)

# H-5 A02-06-024 - Verizon California Inc. (Verizon).

This decision approves the arbitrated interconnection agreement (ICA) filed by Verizon and Pac-West Telecomm, Inc., under Rule 4.2 of the Commission's revised rules governing filings made pursuant to the Telecommunications Act of 1996, pursuant to Subsection 252(e) of the Act. The Commission finds that the ICA does not violate the requirements of Section 251 of that Act, the Federal Communications Commission's implementing regulations therefor, or the pricing standards set forth in Subsection 252(d) of the Act. This proceeding is closed.

(Comr Brown - ALJ Ryerson)

(Agenda 3110, Item 8 4/3/2003 (Brown))

Outcome Held (5/22/03. Further review.)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

#### H-5a ALTERNATE TO ITEM 1970

1983

1970

This decision approves with modification the arbitrated interconnection agreement filed by Verizon and Pac-West Telecomm. Issue number 3 of the Final Arbitrator's Report is modified to comport with prior Commission decision, such that transport charges are applicable to VNXX traffic terminating outside of the originating local calling area.

(Comr Brown)

(Agenda 3110, Item 8a 4/3/2003 (Brown))

Outcome Held (5/22/03. Further review.)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

# H-6 R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery mechanisms for generation procurement and renewable resource development.

This draft decision grants in part Southern California Edison Company's (SCE) February 3, 2003 Petition for Modification of D02-12-074. In all other respects, SCE's petition is denied.

(Comr Peevey - ALJ Walwyn)

(Agenda 3111, Item 3 4/17/2003 (Peevey))

Outcome Held (5/22/03. Further review.)

#### H-6a ALTERNATE TO ITEM 2023

2057

This alternate order applies the disallowance cap to a different amount of procurement costs than the administrative law judge's draft decision.

(Comr Peevey)

(Agenda 3111, Item 3a 4/17/2003 (Peevey))

Outcome Held (5/22/03. Further review.)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

#### H-7 A02-02-012 - Southwest Gas Corporation (Southwest).

2054

For authority to increase rates in San Bernardino, Placer, El Dorado, and Nevada Counties. Interim Opinion authorizing Southwest to establish a memorandum account to record margin revenue shortfalls due to delay in the proceeding.

(Comr Peevey - ALJ DeBerry)

(Agenda 3111, Item 4 4/17/2003 (Peevey))

Outcome Signed (Comr. Brown reserves the right to join Comr. Lynch's dissent. Comr. Lynch reserves the right to file a dissent.)

D03-05-032

Yes: (Kennedy, Peevey, Wood)

No: (Brown, Lynch) Abstain: (none) Absent: (none)

#### H-7a ALTERNATE TO ITEM 2054

2151

Using the same rationale described in the ALJ's decision, this alternate finds it reasonable to grant an earlier effective date for establishment of a memorandum account to record revenue shortfalls.

(Comr Peevey)

**Outcome Defeated** 

Yes: (Kennedy, Peevey) No: (Brown, Lynch, Wood)

Abstain: (none) Absent: (none)

#### **Orders**

### 1 1878

# I00-11-001 - Order Instituting Investigation into implementation of Assembly Bill 970 regarding the identification of electric transmission and distribution constraints, actions to resolve those constraints, and related matters affecting the reliability of electric supply.

A01-04-012 - Related matters. This decision considers the economic need of upgrades to Path 15, the major transmission interface between northern and southern California. Based on the record in this proceeding, the Commission finds that the proposed upgrades are not cost-effective to ratepayers. This evaluation considers the project on a "stand-alone" basis--i.e., without considering the participation of PG&E and other entities in the project. The Commission will be examining the proposed ratemaking treatment for project costs, as well as the allocation of project benefits and costs among project participants in further evidentiary hearings. The Commission will also consider at that time any updates to the estimated project costs. The Commission may revisit today's findings if that information changes the project economics significantly.

(Comr Lynch - ALJ Gottstein)

#### Outcome Held (5/22/03. For alternate.)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

### 1a (Rev.) ALTERNATE TO ITEM 1878

1879

A01-04-012 - Related matters. This alternate decision differs from the proposed decision of the administrative law judge in that it finds the proposed improvements to the Path 15 transmission system to be economic, and approves the construction of the Path 15 project.

(Comr Lynch)

05/08/2003 - This revision was not shown on the Agenda mailed to the public.

#### Outcome Held (5/22/03. For alternate.)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

#### 2 A01-09-004 - Southern California Edison Company (SCE).

1969

This decision permits SCE to recover approximately \$20,000,000 in costs accruing prior to August 31, 2001, in four accounts. It finds that the release of claims by SCE in the Settlement Agreement between SCE and this Commission did not release the claims which are the subject of this decision. This proceeding is closed.

(Comr Brown - ALJ Barnett)

#### Outcome Held (5/22/03. Further review.)

#### 3 A99-09-006 - Pacific Gas and Electric Company (PG&E).

1987

The Commission adopts PG&E's estimate of \$65.1 million for the future decommissioning and site remediation of Hunters Point Power Plant for inclusion in the Transition Cost Balancing Account. This proceeding is closed.

(Comr Brown - ALJ Patrick)

**Outcome Held** (6/5/03)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

# 4 A01-11-017 - DSLnet Communications, LLC. (DSLnet) and VantagePoint Venture Partners (VPVP).

This decision approves, on a prospective basis, the indirect transfer of control of DSLnet to VPVP. Retroactive approval of the indirect transfer of control is denied. DSLnet and VPVP are fined \$5,000 for failure to obtain prior Commission approval for this transfer of control, as required by Pub. Util. Code § 854(a). This proceeding is closed.

(Comr Kennedy - ALJ Duda)

#### **Outcome Signed**

D03-05-033

Yes: (Brown, Kennedy, Lynch, Peevey)

No: (Wood) Abstain: (none) Absent: (none)

#### 5 A98-07-003 - Pacific Gas and Electric Company (PG&E).

2032

For verification, consolidation, and approval of costs and revenues in the Transition Revenue Account. This decision orders PG&E and Southern California Edison (SCE) to implement bottoms-up billing for Direct Access customers. The utilities bill only for distribution and transmission service. This decision finds reasonable the Direct Access credit method used by PG&E and SCE since the demise of the Power Exchange.

(Comr Wood - ALJ Barnett)

Outcome Held (5/22/03. Further review.)

# R02-06-001 - Order Instituting Rulemaking on policies and practices for advanced metering, demand response, and dynamic pricing.

This decision addresses the interagency vision for advancing statewide demand response goals, links the task of meeting those goals with utility procurement requirements, and adopts an initial set of voluntary tariffs and programs for large customers whose electricity usage exceeds 200 kW per month. The decision also sets annual megawatt targets to be met through demand response and included in IOU procurement plans.

(Comr Peevey - ALJ Carew)

Outcome Held (5/22/03. For alternate.)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

# 7 R02-01-011 - Order Instituting Rulemaking regarding the implementation of the suspension of direct access pursuant to Assembly Bill 1X and Decision 01-09-060.

This decision adopts rules regarding the rights and obligations of Direct Access (DA) customers to return to bundled service and subsequently switch back to DA service. These issues include consideration of legality of the "switching exemption" pursuant to the limited rehearing of D02-03-055 granted by D02-04-067.

(Comr Brown, Comr Wood - ALJ Pulsifer)

Outcome Signed (Comr. Wood will file a dissent.)

D03-05-034

Yes: (Brown, Kennedy, Peevey)

No: (Lynch, Wood) Abstain: (none) Absent: (none)

#### 7a ALTERNATE TO ITEM 2070

This alternate rejects a proposal for "switching exemptions" which would have permitted certain customers to switch between bundled service and direct access after the September 20, 2001 suspension date. As provided by the Legislature, this alternate clarifies that the resumption of bundled service terminates direct access service, irrespective of the September 20, 2001 suspension date. (Comr Wood)

#### **Outcome Defeated**

Yes: (Lynch, Wood)

No: (Brown, Kennedy, Peevey)

Abstain: (none)
Absent: (none)

2074

# 9 R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery 2156 mechanisms for generation procurement and renewable resource development.

This decision modifies D02-08-071 to allow the Commission the flexibility, upon a showing of good cause, to allow for a departure from the requirement that new renewable resources procured by the three respondent utilities through a set-aside during the transitional period process be required to come online and begin delivering electricity before the end of 2003.

(Comr Peevey - ALJ Walwyn)

#### **Outcome Signed**

D03-05-035

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# 10 R02-01-011 - Order Instituting Rulemaking regarding the implementation of the suspension of Direct Access pursuant to Assembly Bill 1X and D01-09-060.

This order grants the petition to modify filed on November 18, 2002, by San Diego Gas & Electric Company, seeking clarification of whether D02-11-022 exempts the 80 megawatts of United States Navy load referenced in the Decision from the components of the direct access cost responsibility surcharge. The order assigns a zero share of Department of Water Resources bond and power charges to the 80 MW.

(Comr Brown, Comr Wood - ALJ Pulsifer)

#### **Outcome Withdrawn**

#### 10a ALTERNATE TO ITEM 2161

2162

This order grants the petition to modify filed on November 18, 2002, by San Diego Gas & Electric Company, seeking clarification of whether D. 02-11-022 exempts the 80 megawatts (MW) of United States Navy Load referenced in the Decision from the components of the direct access cost responsibility surcharge. The order determines that the 80 MW of Navy Load shall bear the same share of Department of Water Resources bond and power charges as is applicable to other direct access load. The alternate order adopts the same result as the original version of the ALJ's Draft Decision mailed to parties on March 3, 2003, updated to incorporate comments on the modeling impacts on the DA CRS payback period resulting from the treatment of the 80 MW.

(Comr Brown)

**Outcome Signed** 

D03-05-036

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# **Utilities Resolutions and Written Reports Energy Matters**

#### E-1 Res E-3814 - Southern California Edison Company (SCE).

1750

SCE seeks Commission approval of one power purchase agreement contributing toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources irrespective of the utility's residual net short. (Advice Letter 1680-E, filed January 14, 2003) (Agenda 3107, Item E-3 2/13/2003 (Brown); Agenda 3108, Item E-3 2/27/2003 (Staff); Agenda 3109, Item E-1 3/13/2003 (Brown); Agenda 3110, Item E-1 4/3/2003 (Kennedy); Agenda 3111, Item E-1 4/17/2003 (Kennedy))

#### Outcome Held (6/5/03. For consideration of an alternate.)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

# E-2 Res E-3816 - Southern California Edison Company.

1771

For approval of one power purchase agreement (PPA) contributing toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources irrespective of the utility's residual net short. Consideration of this PPA had previously been deferred from Resolution E-3809 and is now being addressed here. (Advice Letter 1676-E, filed December 24, 2002)

(Agenda 3108, Item E-4 2/27/2003 (Staff); Agenda 3109, Item E-2 3/13/2003 (Staff); Agenda 3110, Item E-2 4/3/2003 (Kennedy); Agenda 3111, Item E-2 4/17/2003 (Kennedy))

#### Outcome Withdrawn

#### E-2a ALTERNATE TO ITEM 1771

1844

This altenate resolution differs from the proposed resolution in that it denies approval of one power purchase agreement (PPA) which Southern California Edison Company (SCE) requests to enter into in 2003 to contribute toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources. Consideration of this PPA had previously been deferred from Resolution E-3809 and is now being addressed here.

(Comr Wood) (Agenda 3109, Item E-2a 3/13/2003 (Staff); Agenda 3110, Item E-2a 4/3/2003

(Kennedy); Agenda 3111, Item E-2a 4/17/2003 (Kennedy))

Outcome Withdrawn

Yes: (none) No: (none) Abstain: (none) Absent: (none)

#### E-2b ALTERNATE TO ITEM 1771

2045

This alternate resolution differs from the proposed resolution in that it grants Southern California Edison Company's request for approval of one power purchase agreement (PPA) contributing toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources irrespective of the utility's residual net short and exempts the PPA from the required online date. Consideration of this PPA had previously been deferred from Resolution E-3809 and is now being addressed here. By Advice Letter 1676-E Filed on December 24, 2002.

(Comr Kennedy)

(Agenda 3111, Item E-2b 4/17/2003 (Kennedy))

Outcome Withdrawn

#### E-2c (Rev.) ALTERNATE TO ITEM 1771

2163

This alternate resolution grants Southern California Edison Company's request for approval of one remaining power purchase agreement (PPA) which would contribute toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources irrespective of the utility's residual net short, in accordance with modified online date requirements. Consideration of this PPA had previously been deferred from Resolution E-3809 and is now addressed here. By Advice Letter 1676-E Filed on December 24, 2002.

04/29/2003 - This item was not listed on the agenda distributed to the public.

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey)

No: (Wood) Abstain: (none) Absent: (none)

(Comr Kennedy)

#### E-3 Res E-3801 - Pacific Gas and Electric Company (PG&E).

1778

This resolution approves with modifications PG&E's tariff revisions to implement a flexible pricing option in accordance with Public Utilities Code Section 454.1. (Advice Letter 2276-E, filed August 26, 2002)

(Agenda 3109, Item E-3 3/13/2003 (Staff); Agenda 3110, Item E-3 4/3/2003 (Lynch); Agenda 3111, Item E-3 4/17/2003 (Brown))

### Outcome Held (6/5/03. For review.)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

#### E-3a ALTERNATE TO ITEM 1778

1962

PG&E submits revisions to implement a flexible pricing option in accordance with PUC Code 454.1. Approved with modifications.

(Comr Peevey)

(Agenda 3110, Item E-3a 4/3/2003 (Lynch); Agenda 3111, Item E-3a 4/17/2003 (Brown))

#### Outcome Held (6/5/03. For review.)

#### E-4 Res E-3817 - Sierra Pacific Power Company (Sierra).

1874 This resolution approves with modifications

This resolution approves with modifications Sierra's tariff revisions to reinstate an Energy Cost Adjustment Clause "Offset" Balancing Account Mechanism. (Advice Letter (AL) 294-E, filed January 8, 2003 and AL 294-E-A, filed February 6, 2003)

(Agenda 3110, Item E-6 4/3/2003 (Staff); Agenda 3111, Item E-5 4/17/2003 (Lynch))

#### **Outcome** Held (5/22/03)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

#### E-5 Res E-3822 - Pacific Gas and Electric Company (PG&E).

PG&E requests authority to revise tariffs and establish various balancing and memorandum accounts in compliance with D02-04-016, pertaining to Utility Retained Generation cost recovery in 2002 and withdraw certain previously filed advice letters. The request is approved with modifications.

(Supplemental Advice Letter (AL) 2240-E-A, filed January 6, 2003, replacing AL 2240-E, filed May 6, 2001, in its entirety.)

(Agenda 3111, Item E-8 4/17/2003 (Lynch))

#### Outcome Held (5/22/03. Further review.)

Yes: (none) No: (none) Abstain: (none) Absent: (none)

### E-6 Res E-3821 - Sierra Pacific Power Company (Sierra).

This resolution denies Sierra's proposed tariff revisions to terminate the 10% discount for residential and eligible small commercial customers required under AB 1890. Advice Letter 295-E, filed January 20, 2003)

(Agenda 3111, Item E-9 4/17/2003 (Brown))

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

1941

# E-7 Res E-3823 - Pacific Gas and Electric Company (PG&E).

2062

PG&E submits an Advice Letter to adjust the Diablo Canyon Units 1 and 2 Nuclear Decommissioning Cost-of-service amounts. Approved. (Advice Letter (AL) 2177-E, filed November 21, 2001 and AL 2177-E-A, filed December 2, 2001)

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

# E-8 Res G-3344 - San Diego Gas and Electric Company (SDG&E) and Southern California Gas Company (SoCalGas).

SDG&E and SoCalGas request authority to establish the Fumigation Turn-off/Turn-on Service Memorandum Account. The utilities also request authority to revise their Rules to add a new Termination of Service for Fumigations section. The utilities' request are partly approved and partly denied. (SDG&E Advide Letter (AL) 1351-G and SoCalGas AL 3210, both filed November 22, 2002)

# Outcome Approved

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

#### **Telecommunications Matters**

#### C-1 (Rev.) Res T-16742

2063

This resolution implements portions of Senate Bill 1863 and provision of D02-10-060. It expands the California Teleconnect Fund discount levels and types and quantities of services qualifying CBOs and health care facilities may receive. It adds community technology centers to the list of qualifying CBO activities, and adds hospital district owned and operated hospitals to the list of qualifying health care facilities. The resolution also specifically names Digital Subscriber Line as a CTF-eligible service. It also streamlines the CTF aplication process and requires carriers to file annual claims forecasts. 05/07/2003 - This revision was not shown on the Agenda mailed to the public.

#### **Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

#### C-2 Res T-16740

2064

This resolution approves California Communications Access Foundation as the entity awarded the contract to operate and manage the Deaf and Disabled Telecommunications Equipment and Services Program. Further, this resolution directs the Commission Executive Director to request approval from the Department of General Services (DGS) a multi-year contract, execute all contract originals, and submit the contract to DGS for review and approval.

### Outcome Held (5/22/03. Further review.)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

#### C-3 Res T-16746

2065

This resolution adopts a budget augmentation for the Deaf and Disabled Telecommunications Program (DDTP) for fiscal year 2002-2003 in the amount of \$3,091,700. These funds will cover the necessary costs of transition-related events associated with the transition of the DDTP to comply with Public Utilities Code Sections 270.1, 278, 278.5 and 2881.4. The transition-related costs adopted in this resolution are not included in the current adopted fiscal year 2002-2003 DDTP budget, approved in Resolution T-16663.

#### Outcome Held (5/22/03. Further review.)

### **Legislative Matters**

#### Items Held Over

#### HLEG-1 AB 428 (Richman)

**2048** Electrical corporations: core supply portfolio: core bundled customers.

(Agenda 3111, Item LEG-2 4/17/2003 (Peevey))

Outcome Approved (Legislative Subcommittee Recommendation: Support bill, if amended. Comr. Kennedy will file a concurrence. Comr. Lynch will file a dissent. Comr. Wood will file a dissent.)

Yes: (Brown, Kennedy, Peevey)

No: (Lynch, Wood) Abstain: (none) Absent: (none)

#### HLEG-2 AB 816 (Reyes)

2049 Direct transactions; local public owned utilities.

(Agenda 3111, Item LEG-3 4/17/2003 (Peevey))

Outcome Approved (Legislative Subcommittee Recommendation: Support bill, if amended. Comr. Wood will file a dissent.)

Yes: (Brown, Kennedy, Peevey)

No: (Lynch, Wood) Abstain: (none) Absent: (none)

#### HLEG-3 AB 855 (Firebaugh and Levine)

1977 Wireless telecommunications: access to state property.

 $(Agenda\ 3110,\ Item\ LEG-3\ 4/3/2003\ (Staff);\ Agenda\ 3111,\ Item\ HLEG-1\ 4/17/2003$ 

(Staff))

**Outcome Held (5/22/03)** 

#### **Items**

# LEG-1 SB 888 (Dunn, et.al.)

2102 Public Utilities: electrical restructuring.

Outcome Approved (Legislative Subcommittee Recommendation: Support bill, if amended. Comr. Lynch reserves the right to file a concurrence. Comr. Wood will file a concurrence.)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

#### **Commissioner's Reports**

#### **CR-1** Commissioners' Reports

**1898** Miscellaneous Commissioners' reports.

**Outcome Withdrawn** 

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

## **CR-2** President Peevey Report

1985

Discussion of and action on the Energy Action Plan proposed by a subcommittee of the Energy Resources Conservation and Development Commission, the Consumer Power and Conservation Financing Authority, and the PUC. The Plan establishes shared goals and specific actions to ensure adequate, reliable, and resonably-priced electrical power and natural gas supplies are achieved and provided through policies, strategies, and actions that are cost-effective and environmentally sound for California's consumers and taxpayers.

# Outcome Approved (Comr. Lynch will join Comr. Wood's dissent. Comr. Wood will file a dissent.)

Yes: (Brown, Kennedy, Peevey)

No: (Lynch, Wood) Abstain: (none) Absent: (none)

# **Management Reports and Resolutions**

# M-1 Management Reports

1899 Miscellaneous Management reports.

Outcome Withdrawn

#### **Closed Session**

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the

# Non-Federal Items Orders Held Over

#### HEX-1 A01-01-021 - Conference with Legal Counsel - Application for Rehearing

2017

Disposition of Application for Rehearing of D02-08-065, filed by the Southern California Generation Coalition. The Commission issued an interim opinion authorizing new rules for eligibility and conditions of core and wholesale gas service for the Southern California Gas Company and San Diego Gas & Electric Company.

(Agenda 3111, Item EX-5 4/17/2003 (Lynch))

Outcome Held (5/22/03. Further review.)

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

# HEX-2 A02-05-022 - Conference with Legal Counsel – Application for Rehearing A02-05-025, A.02-05-026, A.02-05-031 - Related matters. Disposes of application for Rehearing A02-05-025, A.02-05-026, A.02-05-031 - Related matters.

A02-05-025, A.02-05-026, A.02-05-031 - Related matters. Disposes of applications for rehearing by Pacific Gas & Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) of D02-11-027. This interim decision established the 2003 rate of return and return on common equity for the above two utilities. Each applicant challenges the adopted return on equity (ROE) granted to it. PG&E contends that the 11.22% ROE adopted in the decision fails to comply with controlling legal precedent, and is arbitrary and capricious in setting its ROE below that adopted for Southern California Edison Co. SDG&E contends that the adopted 10.90% ROE for it fails to contain separate findings on all material issues in violation of Public Utilities Code Sec. 1705, and that it is not supported by the evidence in the record.

(Agenda 3111, Item EX-8 4/17/2003 (Staff))

#### **Outcome Signed**

D03-05-037

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# A.01-03-036 - Conference with Legal Counsel – Application for Rehearing Disposition of the applications for rehearing of D02-12-066 filed by San Diego

Disposition of the applications for rehearing of D02-12-066 filed by San Diego Gas & Electric Company (SDG&E) and the California Independent System Operator (ISO) on January 23, 2003. D02-12-066 denied without prejudice SDG&E's application for a certificate of public convenience and necessity to construct the proposed Valley-Rainbow Interconnect Project.

(Agenda 3111, Item EX-12 4/17/2003 (Staff))

# **Outcome Signed**

D03-05-038

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

#### **Orders**

# EX-6 R01-10-024 - Conference with Legal Counsel – Applications for Rehearing

2128

Disposition of applications for rehearing of D02-08-071 filed by Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (Edison). In D02-08-071, the Commission: (1) authorized PG&E and Edison to enter into interim contracts for procurement of capacity in participation with DWR; (2) adopted a procedural process to review and approve these interim contracts; and (3) established the requirements for procurement of renewable and QF power between the effective date of the D02-08-071 and January 1, 2003.

#### **Outcome Held (5/22/03)**

Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

## EX-7 R01-10-024 - Conference with Legal Counsel – Application for rehearing

2129

Disposes of the applications by Southern California Edison (SCE), Pacific Gas & Electric (PG&E), San Diego Gas & Electric Co. (SDG&E), and Sempra Energy Resources for the rehearing of D02-09-053. The decision is an interim opinion in the Commission's rulemaking to establish ratemaking mechanisms and procedures that would enable the utilities to resume responsibility for procuring power for their retail customers. The decision allocates existing California Department of Water Resources long-term contracts to PG&E, SCE and SDG&E.

#### **Outcome Held (5/22/03)**

Yes: (none) No: (none) Abstain: (none) Absent: (none)

# EX-8 R01-10-024 - Conference with Legal Counsel – Applications for Rehearing 2130 Disposes of the applications by Pacific Gas & Electric (PG&E), and San Diego

Disposes of the applications by Pacific Gas & Electric (PG&E), and San Diego Gas & Electric Co. (SDG&E) for the rehearing of D02-12-069, which adopts the Operating Order under which PG&E, SDG&E, and SCE will perform the operational, dispatch, and administrative functions for the California Department of Water Resources' long-term power purchase contracts, as of January 1, 2003.

#### **Outcome Held (5/22/03)**

### EX-9 R01-10-024 - Conference with Legal Counsel – Applications for Rehearing

2131 Order disposing of applications for rehearing of D02-10-062 filed by

Pacific Gas and Electric Company (PG&E), Southern California Edison Company (Edison), San Diego Gas and Electric Company (SDG&E), Sempra Energy Resources, and Cogeneration Association of California. D02-10-062 adopts a regulatory framework under which PG&E, Edison, and SDG&E were to resume full procurement responsibilities effective January 1, 2003.

#### **Outcome Held (5/22/03)**

Yes: (none) No: (none) Abstain: (none) Absent: (none)

### EX-10 R01-10-024 - Conference with Legal Counsel – Applications for Rehearing

2132 Order disposing of applications for rehearing of D02-12-074 filed by

Pacific Gas and Electric Company (PG&E), Southern California Edison Company (Edison), San Diego Gas and Electric Company (SDG&E), and Sempra Energy Resources. D02-12-074 approved short-term procurement plans for PG&E, Edison, and SDG&E and modified the cost recovery mechanisms and standards of conduct adopted in D02-10-062.

#### **Outcome Held (5/22/03)**

Yes: (none) No: (none) Abstain: (none) Absent: (none)

#### EX-11 R02-01-011 - Conference with Legal Counsel - Application for Rehearing

Disposition of Application for Rehearing, filed by Kern Oil & Refining Company, of D03-04-030, in which the Commission adopted cost responsibility surcharge mechanisms for Customer Generation Departing Load.

#### **Outcome Signed**

D03-05-039

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

# EX-12 I02-11-040 - Conference with Legal Counsel – Applications for Rehearing

spikes experienced from March 2000 through May 2001.

Disposes of the joint application by Southern California Gas Company and San Diego Gas & Electric Company for rehearing of I02-11-040, which initiates an examination of the gas market activities of the major gas utilities regulated by the Commission and the impact of those activities on the gas price

#### **Outcome Signed**

D03-05-040

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none) Abstain: (none) Absent: (none)

2150

# EX-13 A01-01-003 - Conference with Legal Counsel – Application for Rehearing

Disposition of Application for Rehearing of D02-12-053, filed by Santa Clara Valley Transportation Authority (VTA). In January 2001, VTA filed an application for an at-grade crossing for a light rail transit line in the City of Campbell. VTA filed a motion to dismiss this application on the grounds that the Commission's jurisdiction over light rail crossings is limited to regulation of safety appliances and procedures and post-construction safety review, and does not include the location, construction, or separation of light rail crossings of roadways. The Commission denied VTA's motion to dismiss. On December 17, 2002, the Commission in D02-12-053 issued an order denying the application of VTA for an at-grade crossing at Hamilton Avenue in Campbell, County of Santa Clara. Moreover, the Commission found that it has jurisdiction to review and approve the construction and placement of VTA's light rail/street crossing.

#### **Outcome Held (5/22/03)**